where you have both a wireless and a wire line ETC. In fact, a lot of cases now have an incumbent wire line, perhaps a competitive wire line, and a wireless ETC.

What I'm suggesting is that the fund should look at the cost of each one of them, but, yes, you would have multiple support now and on -- there's certainly a tension in that, or a discussion of it, but the Act is pretty specific that it contemplates that support will be provided to multiple ETCs.

I don't think, without changing the Act, you know, the really difficult task this joint board has to deal with is, you know, what's a rational way to deal with that situation. How do you define whether there's a need for support, you know.

And that's, I guess, why are you getting the big bucks up there. That's a difficult question.

MR. JOHNSSON: Could I -- if I could interject one thing there. I think that's where the public interest question really comes in. There's some areas of our country -- and when you leave here, those of you who are flying east, just look out the window of the airplane -- and there's some areas of our country there's not a lot of houses in. There's not much density.

There may be natural monopolies in this company. If someone makes the determination that even though it's a natural and will remain a natural monopoly, if it's in the public interest that we spend the money to support multiple carriers in that service area, then so be it.

But we have to base it on those carrier's cost, not on some kind of proxy, the proxy being what my cost are, for instance. I mean, we -- it's public money we're talking about here and we shouldn't just be wasting it.

COMMISSIONER ABERNATHY: Go ahead.

MR. STEINBERG: If I could also respond to Commissioner Dunleavy's question here, just very briefly. Actually one point of agreement that I may have with Mr. Wood here, is that nobody builds these networks overnight.

And that the companies that we represent came in to serve consumers, making investments that are, in many cases, long lived investments, investments that we don't expect to amortize in a year, two years, five years. Many of these are ten, fifteen, twenty year investments.

We were asked to make these investments to help bring services to consumers. I think that has to be recognized when you think about changes to the universal service funding mechanism. Many of those capital investments still need to be amortized.

MS. THOMPSON: How would you define those? How are we, as regulators, to determine which areas should not -- competition should not be allowed?

MR. JOHNSSON: I guess it's a lot like porn, Mr. -- Commissioner Dunleavy made the statement. It's a very difficult question, but at the end of the day, I think it's a question of how much support -- as an example, let's say you have a company that gets, you know, $100 a month in support -- universal service -- maybe they're company's out there that get that -- per customer.

Is it reasonable to give $200 a month so that those very few customers can have access to more than one provider? I don't know the answer to that question. It's not my job to answer those kinds of questions.

But I would ask the question, at some point it seems that it's illogical for the public to support, you know, those very, very rural areas, you know, people choose to live there for whatever reasons, but, you know, we don't necessarily have to provide them the opportunity to have two or three different telephone providers, or communications providers, in those market places.

It's a difficult job and I know I don't have an easy answer for you.

COMMISSIONER ABERNATHY: I'm going to go on now with another question that flows a little bit from what you're talking about, and then we'll move on down the line. And that is, today, with no changes to the way that ETCs are designated today and the way they're funded today -- and this is really directed to Dave Cosson and Don Wood -- how do your companies decide which markets to enter?

What do they look at? Are they already there as wireless providers? Are they already serving adjacent areas? What are the economics that they go through when they make a decision about entering? And what part of that analysis rests on the amount of per-line support?

MR. WOOD: That's an excellent question.

COMMISSIONER ABERNATHY: I like this guy. Go ahead.

MR. WOOD: They look at a couple of very important factors. They look at their ability to serve that area with their technology and with their facilities, because the characteristics of that area may be more suitable for wire line, it may be more suited for wireless, there may be not a big distinction. But they look at their cost to do that.

They look at other carriers that might already be in that market because if there's a fixed number of potential customers, the share that they might can capture will be lower and that's going to really increase perhaps their unit cost and their ability to survive once they enter.

That's part of the self-correcting mechanism that keeps too many carriers from entering under the existing mechanism, because they're going to look at exactly that. Who's already there? What market is left for me?

Then they're going to look at this benchmark of support which is the proxy in this case for ILEC cost. Can we beat it? Can we not beat it? If it's equal, if it's a little less, and if we've got a better service, entry makes sense.

Now it doesn't just make sense from the standpoint of my member companies, it makes sense from a public policy standpoint. That's where you want to see entry occur. In the natural monopoly example that was given before, that's the circumstance where entry would not occur.

You're looking at those support amounts, you would see the correct signal to the marketplace. If a carrier can serve the entire area with a total lower cost solution, they should be doing so. If they can't with some portion of the customers -- you know, these people make cap ex expenditures on a fairly reasoned basis. They don't go where they can't recovery their money.

And remember they're -- you know, it's -- to respond to Mr. Gregg's question before about, you know, this conceptual debate about whether this is incremental money or substitute money in terms of cap ex.

It's been a conceptual debate for a while, but recently -- we now have carriers actually receiving funds doing network build-outs in the last couple of quarters, and we're finding is that they're not just substituting capital, they're saying, I see your 500,000 in support, I'll raise you 2 million of my own capital. And that's the kind of expenditures that are being made.

They consider all of those things. In the short term -- there's been some kind of convergence between your question and Mr. Dunleavy and Mr. Rowe -- on what do you do with carrier of last resort in terms of making that entry decision.

You know, in the short term, there's a necessary evil, and by here I mean the circumstances, not the incumbent certainly, but in terms of the traditional purpose of universal service, there's going to be that period of time when there's only one carrier that can serve the entire area with its own facilities.

And during that period of time, we're going to have to continue to support that carrier, ideally on an economic cost basis. Once there are multiple carriers, then you're past that point. You could have a different carrier serving with those obligations.

And then you're looking purely at who's the lower total cost solution, that's who ought to be there. Will the market support two carriers, one carrier, or ten carriers, that's all part of this investment decision, this market entry decision that the current mechanism does pretty well.

COMMISSIONER ABERNATHY: Yes, Mr. Cosson.

MR. COSSON: If I can respond, then, to Commissioner Abernathy's question also. For the rural carriers that RICA represents, besides the traditional business case analysis which everybody has to go through -- because you at least have to sit down and convince yourself that your revenues are going to somehow equal what you're cost of providing the business are and that's revenue from all sources including universal service support -- there's an additional historical factor here that is perhaps unique to the rural CLECs.

When AT&T first began, and then rural companies were built out, the small towns were generally neglected. Generally, the smaller small towns were served by the rural companies.

In a lot of cases, the historical development meant that the rural ILECs were often in the hole in the doughnut situation. They surrounded a Bell served town with quite a bit more square miles, and quite a bit fewer subscribers.

As the Bell companies began neglected those areas, as they pulled out all their local customers so there's nobody you can call, nobody you know, the president lives in Denver and you're in the middle of Iowa someplace, the customers got very dissatisfied.

And they saw the excellent service that the rural ILECs were providing and they went to them and said, can't you provide you service here, and the answer was, no, we can't because the law doesn't allow us to serve that area and this is ours. The '96 Act changed that.

The subscribers in those large company areas are primarily Bell and GTE areas. Then came the incumbents and said, now you can provide service. We want your service, come in and bring it in.

So there under tremendous pressure from their friends and neighbors to improve their service and they have done so wherever they could find a way to do that. I think the difference then -- that's one difference in their calculation.

The other thing that underlies all this and perhaps difference with Mr. Wood is, when a wire line CLEC comes in and competes, and a customer signs up, that is replacement. That is capture in the terms of the NTCA position. The customer gives up the Bell service, it takes the CLEC customer.

With wireless service, it's often not replacement, but it's the second service. Why? Because wireless offers something that the wire line doesn't. If offers mobility and we also know that, you know, under the

FCC's build-out rules, those rules can be built by configuring your network so you cover most of the major roads.

A lot of areas don't receive coverage to the extent that universal service funds provide revenues that allow a wireless carrier to offer mobility in areas would they otherwise couldn't. That is perhaps a proper use of the funds.

And it's our point of suggestion is know that the -- one, it should be a conscious decision, perhaps that, you know, wanting advance services and so on, we also -- mobility is an objective that we should go for. We should figure out what that cost and develop an appropriate support system to deal with that.

But, doing that should not prevent the rural ILECs who are really replacing the inadequate service of large companies from obtaining the support that they would if they had been a rural company.

In these situations, if the large company had simply sold that exchange to the neighboring ILEC, at least they would have then been able to have ILEC access revenues. Be integrated into the NECA process and so on.

As a CLEC they're at a great disadvantage when -- for serving the same area with the same cost, between whether you buy or you buy it, yet overbuilding it is a lower cost to society.

Because when you buy it, what you end up doing is, you could put no more than net book adverses as your cost, and that book is a negative number in most cases when you have to pay market price to the incumbent and then you have to rebuild the network, so it's a whole lot cheaper if you just rebuilt the network.

COMMISSIONER ABERNATHY: So it sounds like the incentives on entering some markets can really depend upon whether or not it is a rural carrier that is, in fact, serving that particular market versus one of the larger non-rural carriers serving that market.

MR. COSSON: Exactly, yes.

COMMISSIONER ABERNATHY: And then the USF support, of course, will be significantly different. Okay.

MS. PIDGEON: I just want -- could I respond --

COMMISSIONER ABERNATHY: Go ahead.

MS. PIDGEON: Because it's difficult to predict what markets bear the characteristics that will support competition or what does go into a decision to enter a market, I think that's precisely the reason why that per-line support should remain equal among any carrier that enters the market as a CETC, so as not to raise an artificial barrier to entry, if the support is available either at differentiating levels or only to one carrier and not another.

COMMISSIONER ABERNATHY: But if the support is based on sort of a threshold, in other words, if your costs go beyond a certain threshold, you're entitled to support, I don't quite see why someone with lower costs would necessarily need the same support as an entity with higher costs.

Again, at the end of the day, the revenue stream should be approximately comparable if we're looking at the costs for a particular customer.

MS. PIDGEON: The way I looked at it is to compare two markets: one with subsidy and one without. You know, in a market without a subsidy, a carrier comes in an looks at what the other carrier's costs is and what prices it may be able to set in order to serve customers and compete.

If you move to a market where there is a subsidy, then in order for -- with that -- in a month without the subsidy, the competitive carrier can compete for that amount in terms of pricing.

If there's a subsidy in the market that competitive carrier comes in, then it would necessarily have to be -- let's say the subsidy's $10 -- as an initial matter it would have to be $10 more efficient before it could even consider entering the market and competing on price.

COMMISSIONER ABERNATHY: Not if you're still getting a subsidy. What you're really saying is that there may not be any incentives for the incumbent to be efficient and that may very well be true.

But at the end of the day, as long as your costs, whatever your costs are, if they reach a certain threshold, then you're entitled to support above that. You're still going to be at the same level as the other entity.

Now that may still not be, from a public policy perspective, necessarily encouraging certain kinds of behavior. But it would seem to me that nevertheless you would still be placed on the same competitive footing, it's just that it would be based on different cost for the different parties.

MS. PIDGEON: But in the absence of the competitive entry in the first place, there wouldn't be the appropriate incentive I think for both carriers to reduce their costs, and I think that's, with competition in the market, that that's really the direction it should go.

And you -- that competitive incentive, if somehow can be maxed, if only one carrier -- if each carrier is getting support based on its own respective costs.

MR. JOHNSSON: I'm going to comment on that. We face competition every day from people who get USF and people who don't get USF, and we have a lot of competition.

In almost every market we're in, with the exception of the very, very smallest market, we have some kind of effective competition in that market.

The idea that we're running some kind of a business that we don't have to be -- you know, run in a cost effective manner is just a ludicrous kind of an idea. You look at the income statements of most rural independent telephone companies right now --

I was in a recent board meeting of an industry association. I asked all the people in this room whose bottom lines have gone up, and whose top lines have gone up in the last two years, raise your hand. Not a hand went up. The fact is, the only way we're going to continue to be successful is to run more efficient businesses.

This whole idea that we somehow are not running efficient businesses is just a ludicrous and ridiculous idea that people are throwing up as a smokescreen to try to, you know, get public money without any of the responsibility that goes along with it.

MS. THOMPSON: I want to use my opportunity to ask a question to follow-up and make sure I understand what the model that Mr. Wood was advocating we use earlier, and that was paying -- using ILEC cost as a benchmark and sending the right economic signals. Thinking about how that might work going forward, how should we adjust that.

I mean, if, as what many of the speakers here today have suggested, that the competitive entry creates incentives for the ILEC to become more efficient, too, what mechanism, how often should we look at those costs, should that be a ceiling that's adjusted and what if, in the end, it's really another carrier, one who is not the original incumbent's, costs who are the most efficient in that market, why shouldn't we use that as the benchmark?

MR. WOOD: Well, that's one of those compound questions, isn't it? Well, no, as an initial matter, yes, you absolutely should adjust this going forward. You know, if -- having mucked through how ever many hundred cost studies now over the last few years, one thing that really hits home in this industry is that costs change.

Because -- not only of implementation of different technology, but vendor pricing, different packaging, a lot of things drive costs permanently down, but in different directions. You, of course, have an administrative trade off whether you want it -- you know, how often do you want to do this, but, certainly, the more precise that number, the better signal to the marketplace.

You know, so this is perhaps an annual resetting, this is a perhaps a bi-annual resetting. You know, you don't do it every month, you don't do it every ten years. There's a rational place in the middle that's administratively feasible that still gets the right signal to the market as often as possible.

If there becomes a point where you have an entrant, a CETC, that has full network coverage, and now we're beyond the tradition use of universal service into that new era, then I think you definitely then do look at the most efficient provider.

The most proficient -- efficient -- provider capable of providing service throughout that area with its facilities should become your new benchmark, because that's what the market ought to see. That's what potential new entrants ought to be seeing. That's the right signal.

MS. THOMPSON: Okay. Thank you.

MR. GREGG: Thank you. I got two areas I want to inquire in. One is basing support on each carrier's costs and the second is use of a model for rural carriers.

In the first area, let me see if I got this straight. Four of you all support using a carrier's own costs to determine support. Mr. Johnsson, Mr. Steinberg, Mr. Cosson and Mr. Bergmann. Is that correct? And then, two of you all oppose it, Ms. Pidgeon and Mr. Wood. Well, at least --

MR. WOOD: So far.

MR. GREGG: -- right now. And I'm also correct that Ms. Pidgeon is -- or represents -- a land line based competitor, and Mr. Cosson represents an association of land line based competitors.

MR. WOOD: Correct.

MR. GREGG: Have any of you all who advocate using a carrier's own costs figured out how much it is going to cost the universal service fund if we adopt your position?

MR. STEINBERG: Let me make a brief statement on that one. I believe it will cost the universal service fund less because I believe that the competitive carriers that are coming in are doing so because they claim to be efficient.

They claim to be more efficient than the incumbent carrier, therefore, their costs should be less and, therefore, the amount of universal service funding that they receive should be less and have a lower impact on the fund.

MR. COSSON: I would agree with Mr. Steinberg and his qualification. Obviously, we don't know for sure. We haven't done a competitive study, I'm not even sure how we would do those.

But the answer is, it isn't necessarily more because then you do away with somebody saying, gee, look here, there's $30 a month in support, my costs are only $25 a month. I better get in here, I can give away service.

And so, you know, to the extent you control that, and that goes to the point of what is efficiency, though. Efficiency isn't simply I have lower costs to provide a three kilohertz signal to the subscriber, because there's a whole lot of questions that go beyond, you know, what is a three kilohertz signal.

It is how often does it get dropped? How many of the subscribers can pick up the phone at once and make a call? What is the blocking rate? What is the reliability? What is the ultimate band width?

Going back to Commissioner Rowe's question about barriers. Now is this platform suitable for meeting the statutory objective of getting to advance services? All of those things go into, when you're make an efficiency comparison, you have to be comparing apples to apples.

MR. JOHNSSON: I would like to comment that I don't know the answer to the question. We have seen some studies that say that if all eligible carriers right now were to apply for ETC status and be granted that status, there'd be about a 2 million dollar hit or greater to the fund.

MR. GREGG: That's if we support all the lines --

MR. JOHNSSON: Correct.

MR. GREGG: -- that the current ETCs would actually service ultimately.

MR. JOHNSSON: Correct. I would like to make one other comment, too, and that is, we're talking about high-cost support here, and I want to remind everyone that the current per-line amount is not just high cost. When you rebalance rates, you dump the money in the universal service, and those are not high-cost items. They're traffic sensitive and other kinds of, you know, items that got dumped in there. So the number's kind of artificially high because there's more than high-cost support going to the CETCs.

MR. GREGG: Ms. Pidgeon?

MS. PIDGEON: I don't necessarily agree with the argument that if you calculate support based on each carrier's costs, own individual costs, that the fund will necessarily be lower.

First on a -- today we don't currently support the entire network of CETCs, we only support them on a per-line basis. And so if you put the entire cost of a CETC network, I would think that that would necessarily increase the fund amount.

Second, if you calculated it on a per-line basis, the CETC entering the market is necessarily going to have fewer lines than the incumbent serving the market. So the per-line cost of the CETC, calculated based on its own cost, is likely to be higher as well.

And third, I think, frankly, it's the wrong incentive; that if there is differential support based on different cost advantages, then the incentive will be either for the ILEC or the CETC to establish a cost level that is as close as possible to the higher cost provider so that the support can be maximized, and I think that's the wrong incentive.

MR. GREGG: Okay. Mr. Bergmann --

MR. ROWE: As a follow-up, can we support the entire network for incumbents?

MS. PIDGEON: We do today, yes.

MR. STEINBERG: Just to be clear. The universal service support is -- falls into different categories. High-cost loop support, supports loops. It does not support other elements of the network such as switching.

There is switching support, so there are different components that are defined and supported individually. And so when we talk about high-cost loop support, we are talking about just the loop portion of the network.

MR. COSSON: One -- just clarification. For the rural CLECs, they do have the majority of the lines in the operating areas where they operate typically. And then to Commissioner Abernathy's question, they don't go into those areas unless they expect to get the great majority of the other lines.

MR. GREGG: Mr. Bergmann, under your proposal to base support on each carrier's cost capped at the ILEC's per-line cost, would not the over all cost to the fund be the same or less than we are currently paying?

MR. BERGMANN: That's very much true, especially if, as we go with the second panel, support is limited to a primary line.

MR. GREGG: The second -- I'm sorry, go ahead.

MR. BERGMANN: You know, obviously this is something nobody knows for sure. And -- but the presumption has to be that the cost would be lower if you used CETC's cost. If their costs are higher -- as we said, you shouldn't be supporting that because that's subsidizing competition for competition's sake.

MR. GREGG: My second area, concerning the model, as I understand it, three of you all oppose use of the model and three of you support use of some sort of model for some portion of rural carriers.

Basically, Mr. Johnsson, Mr. Steinberg and Ms. Pidgeon, I take it, would be opposed to use of the model, but I needed to clarify Ms. Pidgeon's position, because I haven't heard precisely.

And Mr. Cosson, Mr. Wood, and Mr. Bergmann would favor use of the model. Is that correct, except for Ms.

Pidgeon -- go ahead.

MS. PIDGEON: I wouldn't oppose the use of the model so long as the model is used to establish the same amount of support per line for both carriers.

MR. GREGG: In other words, once the model runs, it establishes an objective standard that both the incumbent and any competitors would be eligible to receive.

MS. PIDGEON: Correct.

MR. GREGG: Do you all recognize that currently we are operating under the Commission's RTF order, which continues the embedded system for all rural carriers through 2005? And would your proposals simply be the start of a transition period that would take effect after the RFT order expires?

MR. WOOD: Well, no, I have to disagree with the premise of your question. That order actually modified the embedded cost recovery.

MR. GREGG: And, in fact, that's what it's called.

MR. WOOD: Right. In fact, it is called modified. And when you look historically over time, it's not the quarter after that order, it's the quarter after that because of the projected basis on the line counts where the big jump occurs.

But for everybody who standing up and, you known, talking about impact on the size of the fund, all of the payments going to CETCs are nowhere near approaching the incremental change from going to embedded cost to modified embedded cost.

So, you know, it's got to be somewhat disengenuous to stand up here and say it's all about the size and viability of the fund, when your company that got an incremental increase that far out weighs the total amount going to competitors. I mean, this -- competitors are not going to bankrupt this fund. That's not where the money goes.

I would certainly suggest to you also that that order is very clear that the transition period started at the date that order was implemented. There's very clear language to the incumbents that says, we're going to economic costs. This five years is your transition period, use it wisely.

I certainly hope that they have been doing that. I think it would a huge mistake to get to the end of the five years and say, well, now we're going to start a transition period all over again.

You know, these companies have been on notice since '97 when the conclusion was reached that all companies ought to be on economic cost. They've been on clear notice for the last two and a half years that that is exactly where they're headed.

The transition is already well underway. I think we need to use the remaining two years of the transition to fine tune the cost model so that we can calculate an economic cost and go forward at that time.

MR. COSSON: Okay. If I -- to go back to your original question. The -- RICA's position is not in support of a model. What we have suggested is that forward-looking economic cost for the competitive carriers could be appropriate, but what is cost and how do you decide what it is in a particular area are really two different questions.

A model is one way of doing it. Just like for the ILECs we have average schedules, which are, in effect, a model, and have specific rules for coming up with a statistically valid way of saying, this is what this company's particular cost is.

We have not supported a model because, you know, it does not validly predict what any particular area is. That's not to say that one could not be built, but we haven't seen one since.

And I guess that the -- to quibble a little bit with Mr. Wood -- the problem was, not that the model didn't predict embedded cost, the model didn't predict forward-looking cost.

I think you may recall during the RFT proceeding, RUS compared the model results with several recent loan applications -- and an RUS loan application is, in fact, what we mean by a forward-looking cost study. It would the equivalent of that.

So sitting down and saying, for this particular area, using the most cost efficient technology, what would it cost to construct and operate the system? Now, you know, if somebody can develop a model that's useful following the way that ILECs use average schedules, you have -- if you're an average schedule company and the average schedules don't adequately predict your costs, you have the option of doing an individual cost study.

It costs you more, and, of course, to the extent that the cost of doing the cost study is more than the difference, you stay on the average schedule. If you had a system where there was an option to use the model or produce your own cost study, we wouldn't object to the model in that case.

But, you know, the time to be very clear that the Commission's process, as I understood it, focused on validating the input, but -- not purporting to be a statistician -- I don't think a model is valid unless you validate the output, and that means let's take the output, let's look at a statistically valid number of places where it predicts it and compare those with the forward-looking costs of what is to serve those areas.

When -- if that works, then you have a valid model, otherwise, you don't.

MR. STEINBERG: If I might respond briefly, Mr. Gregg?

COMMISSIONER ABERNATHY: Very briefly.

MR. STEINBERG: I will try to be very brief. I just would caution against using a forward-looking model that, in fact, will lead to harm to consumers. We do have direct experience with forward-looking models.

We know, you know, the Fairbanks area for example, that our actual costs are in the neighborhood of $30 per loop -- per month -- and the model which -- we -- has been used to predict our UNE prices comes out at $19 per month.

We used a similar kind of forward-looking price up for universal service funding. Again, I think you would end up reducing the support to a level that could harm consumers.

COMMISSIONER ADELSTEIN: Do we have time for one last?

COMMISSIONER ABERNATHY: Yes, absolutely.

COMMISSIONER ADELSTEIN: I know we're almost out of time, but I had something that was sort of a transition to our next panel on measures to control fund growth. And it goes back to a point that Commissioner Abernathy made earlier on about, if we base costs on the incumbent costs, then the CETC comes in, which will take away some customers from the incumbent that's raising the incumbent's costs, so the universal service fund ends up paying more, the consumers pay more, and consumers get no additional benefits as a result. It's sort of a perverse effect.

Now some of the panelists indicated that one response to that would be to freeze per-line support on the CETCs entry. But maybe my question -- and, Mr. Johnsson, if you could start and others could respond -- is, if we were to do that, what effect would that have on investment in rural areas? Which is another key goal that we talked about here we want to accomplish.

MR. JOHNSSON: Well, granted -- given that's it's 10:30 -- I would say it's likely to restrict investment rural areas.

MR. STEINBERG: Just very briefly, we've already seen that result.

MR. COSSON: And for the rural CLECs, if there is no USF support, freezing it doesn't get them any.

MR. WOOD: I'm here for companies that are looking to invest, not to stop investing. So, I don't think your -- you know, if you look at this totally in terms of how do we promote investment by the ILEC, I think it's a very different question then how do we promote investment.

I think we've got to look at this broader question. And, the way we frame all of these questions, I think we need to back up one step and look at this a little bit broader.

MR. JOHNSSON: We need to also tell it how we wrote investments in the public interest.

MS. PIDGEON: And we can promote investment through competition, also ensuring that there's sufficient support not necessarily a specific provider.

MR. BERGMANN: I would agree that once there is competitive entry, the per-line support should be frozen. From then on the competitive forces will require demand, force investment.

COMMISSIONER ABERNATHY: Okay. Great. Thank you to all of you for coming here, all the panelist. This was a great dialogue and debate. I really appreciated lots of good information.

We will take a 17-minute break -- I mean a -- I can't do math -- a 13 -- 12-minute break and come back at a quarter till. That's why I'm a lawyer. And we'll come back at a quarter til and move on to the next panel. Thank you.

(Whereupon, a short recess was taken.)

PANEL TWO

SCOPE OF SUPPORT/MEASURES TO CONTROL FUND GROWTH